



ORIGINAL
Habitat
 for Humanity®
 Tucson



0000111467

Line Extension docket
 E-00000J-10-0044

May 10, 2010

Kristin K. Mayes
 Chairman
 Arizona Corporation Commission
 1200 West Washington
 Phoenix, Arizona 85007

Dear Chairman Mayes:

Habitat for Humanity Tucson hopes that the Commission will allow our Southern Arizona Home Builders Association and our utility company, Tucson Electric Power, to proceed with an urgent and critical pilot program to develop a win/win solution for homebuilders, land-developers, the utility company, and the citizens of our local economy and community in modifying TEP's current line extension policies that were adopted November 2008.

As a nonprofit affordable homebuilder in Pima County, serving low-income working-class families for over 30 years with the American dream opportunity of homeownership, Habitat knows that for every \$1,000 increase in our homes, another 100 families are bumped out of the opportunity of homeownership. And Habitat homeownership immediately returns a minimum of 168% economic benefit to our local economy, per an independent audit in 2008 of Habitat Tucson's return-on-investment to the community conducted by Community Services Analysis LLC.

Currently, 5% of our housing cost is sunk in to the cost of electrical line extensions and connections. For the kind of small to mid-size land-development projects (i.e. 40+ lots) that Habitat Tucson routinely undertakes, SAHBA's cost-estimate of a 750% increase in the per lot cost of electric utility line extension is sobering to say the least. Even though Habitat homeowners pay a zero-interest mortgage back to Habitat – the proceeds of which get plowed-back into more homebuilding for the next set of Habitat homeowners – we would not be able to pass on such a huge increase to our low-income families. Inevitably, then, we would be forced to significantly reduce our annual housing production at a time when the economy can least afford decreases in commerce, employment, productivity, or tax revenues.

Again, we hope that the Commission will allow a local multi-stakeholder decision-making process to negotiate a reasonable, win/win pilot-program modification of the Commission's November 2008 electric utility line extension policies. No one is asking for a hand-out or a free-ride, just the opportunity to locally negotiate among stakeholders who should mutually invest and share in one another's – and our community's – economic success, so that everyone benefits to some degree within our democracy's principles of equity and law. Habitat Tucson looks forward to participating in this requested local, multi-stakeholder negotiation process.

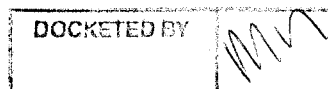
Respectfully yours,
 HABITAT FOR HUMANITY TUCSON


 Michael McDonald
 Executive Director

Arizona Corporation Commission

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